

CAMBRIDGE INTERNATIONAL EXAMINATIONS

Cambridge International Advanced Subsidiary and Advanced Level

MARK SCHEME for the October/November 2015 series

9389 HISTORY

9389/42

Paper 4 (Depth Study), maximum raw mark 60

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the October/November 2015 series for most Cambridge IGCSE[®], Cambridge International A and AS Level components and some Cambridge O Level components.

® IGCSE is the registered trademark of Cambridge International Examinations.

Page 2	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

Generic Levels of Response

Level 5	25–30	<p>Responses show very good understanding of the question and contain a relevant, focused and balanced argument, fully supported by appropriate factual material and based on a consistently analytical approach.</p> <p>Towards the top of the level, responses might be expected to be analytical, focused and balanced throughout. The candidate will be in full control of the argument and will reach a supported judgement in response to the question.</p> <p>Towards the lower end of the level, responses might typically be analytical, consistent and balanced, but the argument might not be fully convincing.</p>
Level 4	19–24	<p>Responses show a good understanding of the question and contain a relevant argument based on a largely analytical approach.</p> <p>Towards the top of the level, responses are likely to be analytical, balanced and effectively supported. There may be some attempt to reach a judgement but this may be partial or unsupported.</p> <p>Towards the lower end of the level, responses are likely to contain detailed and accurate factual material with some focused analysis, but the argument is inconsistent or unbalanced.</p>
Level 3	13–18	<p>Responses show understanding of the question and contain appropriate factual material. The material may lack depth. Some analytical points may be made but these may not be highly developed or consistently supported.</p> <p>Towards the top of the level, responses contain detailed and accurate factual material. However, attempts to argue relevantly are implicit or confined to introductions and conclusions. Alternatively, responses may offer an analytical framework which contains some supporting material.</p> <p>Towards the lower end of the level, responses might offer narrative or description relating to the topic, but are less likely to address the terms of the question.</p>
Level 2	7–12	<p>Responses show some understanding of the demands of the question. They may be descriptive with few links to the question or may be analytical with limited relevant factual support.</p> <p>Towards the top of the level, responses might contain relevant commentaries which lack adequate factual support. The responses may contain some unsupported assertions.</p> <p>Towards the lower end of the level, responses are likely to contain some information which is relevant to the topic but may only offer partial coverage.</p>
Level 1	1–6	<p>Responses show limited understanding of the question. They may contain some description which is linked to the topic or only address part of the question.</p> <p>Towards the top of the level, responses show some awareness of relevant material but this may be presented as a list.</p> <p>Towards the lower end of the level, answers may provide a little relevant material but are likely to be characterised by irrelevance.</p>
Level 0	0	No relevant, creditworthy content.

Page 3	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

Depth Study 1: Europe of the Dictators, 1918–1941

Indicative content

1 To what extent had Lenin created a communist state in Russia by 1924? [30]

Much depends here on the definition of ‘communism’ and there could well be many diverging views on this. Expect a definition but allow for substantial variety there. Some might start with a strictly Marx-based view of the system; others take on a more moderate ‘socialist’ perspective while others might simply see it as a totalitarian system. Be flexible towards the latter if the intention is to keep a focus on the ideological basis of the system and not just how it was run. Certainly Lenin intended to create such a state, although he was well aware that pure Marx needed to be adapted to particular circumstances and that the stages to socialism had to be managed differently. War communism needs to be viewed as part of the process as does the NEP. Arguably, with the elimination of the majority of his enemies, the state of Russia in 1924, the party and administrative structure which existed, the potential for creating a socialist state was there. The mix of apathy, exhaustion and support was such that there was a willingness to accept the need for radical solutions to Russia’s problems; also there was an acceptance that the Bolshevik message might be the less evil alternative to any other. Arguably the success of the NEP and the peasant acquisition of land would suggest that communism had shallow roots, but the early work of Gosplan and the Russian tradition of central control might suggest that a basis had been laid for a gradual acceptance of a socialist state.

2 Evaluate the reasons for Mussolini’s popularity in Italy to 1941. [30]

What is looked for here is an analysis of the reasons why Mussolini and his regime maintained a degree of popular support to 1941. Answers which interpret the question to mean ‘why did the Italian people put up with Mussolini for so long’ are acceptable. Very effective propaganda is certainly a major factor; he kept a very tight control of both the newspapers and the radio and used them effectively. The Church was a supporter and the pulpit was always a useful ally. He repressed opposition and simply drove it firmly underground or exiled it. There was not too much of the fear element around. He pushed the cult of the mighty and infallible Duce particularly well and utilised every opportunity, either via the schools or the youth movements and the Dopolavora to get his message across. The achievements, be it the electrification process, his trains or the draining of marshes got maximum publicity and the depression did not hit Italy as hard as some other countries. The foreign adventures did help, he had not forgotten the attitude towards D’Annunzio and Trieste, and he basked in the reflected glory of Locarno and the Pact of Steel. There was no apparent alternative to him and he did not give the Italian people enough reasons to try and find one. The ‘Battles’ gave the impression of activity, and the fact that they achieved little was carefully hidden by excellent propaganda.

Page 4	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

- 3 'The main reason why Stalin remained in power was because of his use of terror.'**
Discuss this view. [30]

The issue here is an analysis of the reasons why Stalin was able to retain power until the end of the period under study. There are many other factors which can explain his tenure of power including his ability to outmanoeuvre his opponents and identify those who might oppose him. There was a general consensus within Russia that socialism ought to be given a chance to work and that radical measures such as collectivization and the massive industrial programmes were necessary and inevitable. His aim to make Russia a major power and secure from its many enemies was popular and supported and it was again accepted that this needed a tough approach. Russia had been ruled by autocrats for centuries and many saw Stalin, or were encouraged to see him, as a more benevolent version. Several of those who appeared in the show trials recognised that what he was doing was 'right' and it was just the way he went about it that could be challenged. There was support for collectivisation amongst the young enthusiasts who went from the cities to carry it out. Propaganda played a huge part in his survival as did indoctrination. While there was resentment by other politicians at his power, few disagreed with his broad objectives for Russia. It could be argued that the terror was not actually needed, and that in purging so many, ranging from engineers to army officers he actually weakened Russia and his own position. The army in 1941 was so weakened that it nearly led to the end of the regime of which he was head –and it had never been disloyal to the regime, there was no tradition of military takeovers in Russia and no evidence that there might be. Terror was not necessary.

- 4 'The government of Nazi Germany was characterised by economic and administrative inefficiency.'**
Discuss this view. [30]

What is looked for here is an analysis of Nazi economic policy and the way in which the Nazis administered Germany in the period. It could be argued that initially economic policy made sense and that the work of Schacht offered solutions to Germany's problems. The New Plan of 1934, although risking areas like living standards and housing, did look like solving the balance of payments and import problems. Rearmament became the dominant feature of economics and with the departure of Schacht and his replacement in effect by Goering and the Four Year Plan; arguably mismanagement became the order of the day if viewed from the long term perspective. The implications of autarky and the preparations for what became known as a 'war of plunder' meant rational economic thinking vanished. While some data, such as the production of steel, shows large increases in the period, the impact on the standard of living for the working class was serious and there was an acute housing shortage. Administratively Germany was remarkably inefficient. The precise role of the party was never clarified, once it had got into power it searched for a role. Its relationship with national and local government was erratic and led to duplication and waste. Much the same happened with the overlapping jurisdictions of the police, the Gestapo the SS and the SD while the management of the economy was the responsibility of several overlapping admonitions. Firms complained that they could not meet their production targets as key (Jewish) workers were driven out.

Page 5	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

Depth Study 2: The History of the USA, 1945–1990

5 Who did more to help improve the civil rights of African Americans in the 1950s: Chief Justice Warren or Rosa Parks? [30]

Chief Justice Warren led the Supreme Court to make a series of decisions benefiting African Americans, e.g. *Brown 1 and 2* concerning segregated schools in 1954–5; *Loving vs. Virginia* 1967 legalising mixed marriage. Specific to the Montgomery bus boycott, he supported the lower federal court decision that the Montgomery bus segregation was unconstitutional. In general, Warren’s actions showed that the highest court in the land accepted the legal case for protection of minority rights.

Rosa Parks became a symbolic example of great and lasting power: the refusal of a single black woman to accept the orders of a white bus driver remained an individual example to encourage political activism on a wide scale. The eventual success of the one-year boycott of Montgomery buses was a great victory, providing a model of effective political organisation.

Following this success, in January 1957 the Southern Christian Leadership [SCLC] was formed. It became the leading civil rights organisation in the next few years, not least because of the leadership of Martin Luther King.

6 Assess the reasons why President Nixon resigned in 1974. [30]

Key factors included the need to avoid impeachment. The charges against him had been drawn up by Democrats in the House of Representatives and were likely to be carried. Three leading Republicans, including Barry Goldwater told him as such. [NB Impeachment is a political trial, not, as is often thought, the outcome of that trial.]

By then Nixon had lost support in Congress. Even Republicans in the House were turning against Nixon, making any impeachment trial likely to find Nixon guilty. The Democrats had 56 Senate seats, ten short of the two-thirds majority needed to ensure conviction.

Furthermore, it was becoming clear that he had lost support in the country. His approval ratings, as measured by opinion polls, slumped from 67% in January 1973 to 24% by August 1974, the month when he decided to resign.

Nixon argued that having to fight impeachment charges would make him a part-time president, i.e. putting self-interest before country. Was this merely self-justification? Whether or not, it was the case that resignation was more likely to ensure the US had effective government.

Page 6	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

7 How important was the rise of the religious right in the 1970s and 1980s? [30]

The religious right emerged in the 1970s as fundamentalist Protestants became alarmed by progressive reforms of the time, e.g. abortion law, gay rights. The main organisation was **Moral Majority**, formed by Jerry Falwell in 1979. A key point exemplifying the great importance of the religious right include its role in the victory of Ronald Reagan in 1980. The religious right was well organised and well-motivated, especially after what its members saw as the moral decline of the USA in the 1970s. In addition it gained a role in national politics-with a two-term conservative president, the religious right had a considerable influence on the *zeitgeist*. Progressive liberals were much more on the defensive over matters such as abortion.

Points for lesser importance include its limited impact on national policy. In the event, Federal policy did not in fact change greatly to meet the demands of the religious right. Checks and balances – as well as Reagan’s own inclinations – meant that the ‘excesses’ of the 60s and 70s, as the religious right saw them, were not reversed.

It had a limited impact on national politics. The religious right was important only in certain states and regions. Thus the culture wars were fought between progressivism and social conservatism.

8 Assess the reasons why President Reagan changed from being a Cold War hawk in his first term to being much more of a dove in his second? [30]

This is a matter of considerable debate. At Reykjavik in 1986 Reagan offered to Gorbachev the complete elimination of nuclear weapons. Possible reasons include:

SDI [The Strategic Defence Initiative] aka ‘Star Wars’ could be seen as initiating a major change in thinking. The idea of a defensive shield against nuclear missiles would make missiles irrelevant and thus they could be dismantled. There was also the 1983 War Scare: a NATO war exercise, Able Archer 83, caused the USSR to put itself on nuclear war alert. This alarmed Reagan, who had a longstanding horror of nuclear war. Nuclear Winter Scientific research in the early 1980s showed the disastrous effects of nuclear war on the climate as huge dust clouds would block out the sun. Reagan’s belief in Armageddon was also significant. Reagan believed that the arrival of Armageddon was imminent and that nuclear weapons needed dismantling.

It is also possible to argue that there was no great change in Reagan’s beliefs. In his first term he built up US defences against the ‘evil empire’. Defences having being built up, the need in his second term was to negotiate the end of nuclear weapons.

Page 7	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

Depth Study 3: International History, 1945–1991

9 How justified was President Truman’s claim that the Korean War ended successfully for the USA? [30]

In terms of ‘justified’, it could be argued that Truman was convinced that the North Korean attack on South Korea was part of a Stalin-inspired plot to spread communism. He argued that such aggression should not be appeased in the way that Hitler’s had been and that the UN should confront it in a manner which the League of Nations had not. At the end of the war, Truman could legitimately argue that the USA, with the support of the UN, had successfully prevented the spread of communism – the policy of containment had been successfully implemented.

Conversely, it could be argued that, during the War, the USA’s policy had changed from containment to roll-back and that this had failed. China had launched a counter-offensive, pushing UN troops back to the 38th parallel. Moreover, there had been a dispute over strategy between MacArthur and Truman’s government. Korea had been devastated and many Republicans argued that the USA had missed an opportunity to destroy communism in China, leading to the later excesses of McCarthyism. The USSR had been able to denounce the UN as a ‘tool of the capitalists’. Moreover, US relations were now permanently strained with China as well as with the USSR, leading to the creation of SEATO. Truman’s statement was largely politically inspired – his Democratic Party was being attacked by the Republicans for being too weak against communism.

10 ‘More illusion than reality.’ How far do you agree with this assessment of détente in the 1970s? [30]

In support of the statement, it could be argued that détente achieved little substantial. While it was convenient for both the USSR and the USA at the beginning of the 1970s, it merely recognised the existing status quo. SALT II was never ratified by the USA, while the USSR continued to globalise the Cold War (e.g. Iran, Angola, Afghanistan) and largely ignore its Helsinki agreements on human rights. As the USA recovered from the humiliation of Vietnam, right-wing anti-communist views again began to gain credence – it was argued that détente had merely extended the Cold War and that a more aggressive approach was needed to counter the threat of communism. President Carter was increasingly seen as weak against communism, and Reagan adopted a far more assertive approach.

In challenging the statement, it could be argued that détente stabilised superpower relations and minimised the risks of nuclear war. Both the USA and the USSR demonstrated a greater willingness to compromise and negotiate, as evidenced by the SALT Treaties and the Helsinki Accords. The USA finally formally recognised the existence of the Soviet Bloc in Eastern Europe, while West Germany formally recognised the existence of East Germany as a separate state. Even staunch anti-communists, such as Nixon and Kissinger, supported détente, recognising the need for pragmatism. Moreover, détente enabled the USA to pursue more friendly links with China.

Page 8	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

11 How serious were the threats facing the CCP during the 1980s? [30]

It could be argued that Deng's reforms led to serious threats to the CCP. Not only did he face opposition from traditional, conservative and Maoist members of the Party, he was also confronted with increasing demands for rapid social and economic reforms and, indeed, political reform. Splits within the CCP were confirmed when hard-liners forced the resignation of the reformer Hu Yaobang as Party General-Secretary. In 1988 and 1989, Deng's economic reforms ran into problems, inflation rising while incomes lagged well behind. This, together with Gorbachev's visit to China led to widespread demonstrations, culminating in Tiananmen Square. Thus, the CCP was threatened by internal divisions and social unrest.

Conversely, it could be argued that the CCP's power was never under serious threat. Whereas Gorbachev had brought in both economic and political reform, Deng had resisted all attempts to end the CCP's power within a one-party state. Deng was able to maintain control of the CCP by carefully balancing the extreme views of right and left – e.g. he supported Zhao Ziyang (an economic reformer) over economic issues, yet backed the hard-liner Li Peng in his decision to use troops against protesters. Most significantly, the CCP maintained control of the army throughout.

12 'The aim of superpower involvement in the Middle East from 1956 to 1979 was to ensure political and economic stability in the region.' How far do you agree? [30]

Evidence in support of the statement might include the USA and the USSR working together to demand an immediate ceasefire and agreeing to send a UN force to end the Suez War in 1956. Despite hinting that it would send help to the Arab states in the event of a future war, the USSR did not provide support during the Six Day War of 1967. During the Yom Kippur War of 1973, the USA and the USSR agreed that their intervention was necessary to bring about a peace settlement; with UN support, they organised a ceasefire. US President Carter played a vital role in setting up formal negotiations between Egypt and Israel, leading to the Camp David Agreements in 1979.

However, it could be argued that the USA and the USSR had helped to inflame the crisis in the Middle East, and that their involvement was primarily out of self-interest. The Middle East is an area of strategic importance, largely because of oil and the Suez Canal. US resentment of Nasser was increased when he purchased military equipment from Czechoslovakia and enlisted the help of Russian military advisers. The USA saw this as a plot by the USSR to gain control of the Middle East, thus superimposing Cold War rivalry onto the region. The USA implied that it would support Britain in the Suez War (1956), though subsequently did not for fear of encouraging the Arab states to forge closer links with the USSR. In the build-up to the Six Day War of 1967, the USSR encouraged Egypt and Syria and maintained a flow of anti-Israeli propaganda, hinting that the USSR would support the Arabs in war against Israel. The USSR did not provide such help, but continued to supply Egypt and Syria with modern weapons, while the USA continued to provide Israel with the same. President Sadat was prepared to work with either the USA or the USSR in an effort to create a negotiated peace with Israel, but neither was prepared to do this. It was the threat posed by OPEC and international terrorism by the PLO which finally persuaded the USA and the USSR to press for a negotiated settlement.

Page 9	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

Depth Study 4: African History, 1945–1991

- 13 'It was the support of the masses that secured independence in Africa.' How far do you agree with this view? [30]**

The focus here is the role of mass political parties in determining the speed with which independence was achieved. Independence movements in at least two countries might be compared, with relevant factors including leadership, internal developments and external events.

Factual information should be developed to compare strengths and weaknesses of different political parties in the countries chosen. Other factors such as world events, leadership or colonial heritage should be used for a comparative analysis of significance. The relative importance/efficient use of mass political parties to achieve independence varies from case to case.

Answers could use any countries studied in depth but answers should identify contrasting movements towards independence – either focusing on styles of leadership, speed of transition, nature of transition, management of mass support, or types of colonial heritage. Ghana, Nigeria, Ivory Coast, Guinea, Senegal, Uganda, and Zimbabwe could all be used effectively to discuss mass political parties and provide a comparison with other factors.

- 14 How great was the impact of the Cold War on the development of African states after independence? [30]**

African countries were affected in multiple ways by the Cold War; efforts to shake off the colonial past resulted in turning to USSR; competing offers of aid, personnel and development projects from USA and USSR, also China and Cuba; temporary communist phases to solve problems within countries. Answers might consider how Cold War tensions affected independent African states differently, including analysis of how and why the ideas and policies of the USSR appealed to some African countries after independence. Examples of Soviet influences could be drawn from Guinea, Ghana, Mali, Tanzania, Mozambique and Angola; United States influences were seen particularly in Zaire, Somalia and Kenya, also in the activities of the CIA and Peace Corps. The influence of Cuba and China might also be relevant. Evaluation of influences could be based on such areas as financial aid received, availability of armaments, involvement in trade, education, and infrastructure projects.

Answers might include analysis of reasons for the appeal of different ideologies, opportunism or longer and shorter term impacts.

Page 10	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

15 After independence, how successfully did African governments deal with internal threats to the stability of their states? [30]

The question calls for analysis of post-independence problems within at least two countries; political, social, ethnic, and religious tensions and how these were dealt with; how political parties developed and power bases changed; the problem of corruption; whether problems were endemic or subsequent to independence; criteria for evaluating success of solutions to political, economic and cultural tensions. Answers will cover different social or tribal groups within at least two countries studied in depth. Majority and minority ethnic groups could be compared, or the contrasts between north and south of a country, between urban and rural areas or between Christians and Muslims could form the basis for an analysis. Different governmental policies could be contrasted e.g. the suppression of minorities, and control of the state by the more powerful ethnic group. Success could be evaluated by examining the stability of countries studied in depth, whether social cohesion was achieved or whether violent or peaceful solutions adopted.

Answers should consider the social groupings in the countries they use as examples, and evaluate how successful the government has been in dealing with problems within the state. Suitable examples would be Nigeria, Ghana, Congo-Zaire, Kenya, Tanzania.

16 How far have independent African states benefited from membership of the United Nations? [30]

The United Nations has played a role as a partner in African development in a number of countries and answers might look at the activities of the UN in at least two specific countries, incidents or regions of Africa. The UN role has included involvement of peace-keeping forces; aid, diplomacy and mediation. Analysis of the long and short term benefits of this involvement may include evaluation and judgement of the overall positive and negative impact in areas chosen or comparison with other sources of benefit.

Congo, Togo, Cameroon, Eritrea and Biafra/Nigeria could be used effectively to show the UN as a peace-keeper. Financial aid and economic stability could be used to discuss benefits. To reach an assessment, answers should be able to compare UN involvement with other agencies benefiting Africa and also evaluate positive and negative impacts.

Page 11	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

Depth Study 5: Southeast Asian History, 1945–1990s

17 How far was the end of colonial rule in the Philippines a result of US military defeats in the Second World War? [30]

The discussion here is about the relative importance of pre-war developments and the nature of US rule and the impact of the war. The US maintained from the start that their goal was the education and development of the people rather than perpetual colonial rule. In 1934 independence was promised within 12 years and in 1935 a Philippines Commonwealth was enacted by Congress and autonomy in domestic affairs was granted under a new president. The US invested heavily in health care and education. There were demands for independence, but the nationalist elites benefited from the economic links with the USA and the investment made in the colony. The defeats by the Japanese made the vulnerability of the US apparent, for example in the notorious Bataan Death March and it also encouraged the Communist party. The war may have confirmed the need to make the Philippines independent, but the US was hardly giving in to nationalist agitation as there was already a firm alliance with the landowning educated elites who shared a distaste for Communism and a firm commitment made before the war to allow independence on the understanding that the ex-colony would continue to have cultural and economic links with the USA and cooperate with it.

18 Who was the more successful ruler of Indonesia: Sukarno or Suharto? [30]

Independent Indonesia under the new leader Sukarno began as a liberal democracy but with economic problems and discontents. Sukarno introduced 'guided democracy' between 1959 and 1965. The success of this may be questioned as undermining the development of liberal democracy or it may be seen as a compromise and a source of stability. The success may be qualified by the army takeover, indicating weaknesses in the regime. In place of normal parliamentary representation, functional groups representing the army, minority groups, Islamic representatives, workers and peasants were consulted. Fear of both a Communist coup and a military takeover, when Sukarno was ill, led to elements of the army under Suharto taking power. 40,000 people were killed in a ruthless campaign against Communism and a New Order established. An idealistic philosophy called *pancasila* was inculcated to oppose Marxism, liberal democracy and militant Islam. This could be seen as a successful and innovative idea or merely a disguise for authoritarianism and an attempt to repress rather than reconcile dissident groups and the conditions which encouraged them. Authoritarian rule did produce until 1997 sustained economic growth. However, militant Islamic groups emerged, there was corruption and nepotism and the collapse of the currency with the crash of 1997. Suharto left power in 1998. Some may see the sustained economic growth of the New Order as the key difference and rising living standards and economic development may lead candidates to see Suharto as the more effective ruler. Sukarno however managed the transition to independence and offered a version of democracy which he saw as being more suitable to the diverse groups in the country.

Page 12	Mark Scheme	Syllabus	Paper
	Cambridge International AS/A Level – October/November 2015	9389	42

19 How great was the extent of change in Vietnam after 1991? [30]

Since the adoption of *doi moi* in 1986 the reunited Vietnam was more open to economic and social change. The rapprochement with the USA which began in 1994 continued to develop greater trade, so that the US became Vietnam's largest export market and the end of isolation from the West (for example with tourism and travel abroad) amounted to considerable change, as did the greater links with ASEAN and non-communist states in the region. There was economic growth but also exposure to fluctuations such as the 1997 financial crash. The private sector grew and GDP doubled after 1995. The impact could be seen in the growth of businesses and urban development. There was also greater social diversification and greater use of technology and improved communications. However, in the 1990s there was also the continuing legacy of corruption, of inefficient and extensive state controls, of a legal system which did not guarantee private economy and continuing devotion to authoritarian political control and Marxist-Leninist political orthodoxy. Vietnam had to adjust to a loss of aid and moral support with the fall of European Communism and remained what some have called a 'hybrid' of an increasingly free enterprise economy and a one-party state with indoctrination, censorship and control of expression.

20 Assess the importance of the Financial Crash of 1997 for Southeast Asia. [30]

The crisis originated with the collapse of the Thai currency in July 1997 and most affected Thailand, Indonesia and South Korea. There was a considerable rise in the ratio of foreign debt to GDP. The IMF insisted on the reduction of government spending and that interest rates be raised and controls imposed on financial institutions. Deflation led to unemployment in finance and construction, the return of migrant workers to villages and home countries. In Indonesia drastic short-term changes led to the fall of the regime. There were popular protests in the Philippines. The confidence in the Tiger economies was shaken. Millions fell below the poverty line in 1997–8; there was hostility to the IMF and to the West; the leaders of Thailand and Indonesia fell from power. Generally, the economic balance swung from ASEAN countries to China and India. There were positive effects in that Asian nations built up foreign exchange reserves, reduced debt and restructured their economies and financial institutions. Some may argue that the crash did not affect the economies of Southeast Asia to the same extent and may draw a distinction between areas where the effects were predominantly economic and areas where there were political effects.